

AUG 04 '10 -8 00 AM

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SURFACE TRANSPORTATION BOARD

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August 4, 2010

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Dear Section Chief,

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are six (6) copies of a Partial Termination of Lease and Ownership Interest, dated as of August 3, 2010, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease of Railroad Equipment No. 5 and Indemnity Agreement No. 5 previously filed with the Board under Recordation Number 27240.

The name and address of the party to the enclosed document are:

Lessor: Bank of Nova Scotia
44 King Street West
Toronto, Ontario
Canada M5H 1H1

[Lessee: Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9]

Chief
Section of Administration
August 4, 2010
Page 2

A description of the railroad equipment covered by the enclosed document is:

35 locomotives TERMINATED: CN 8822 - CN 8849 (except CN 8833, 8839 and 8843) and CN 2255 - CN2264.

A short summary of the document to appear in the index is:

Partial Termination of Lease and Ownership Interest.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/sem
Enclosures

(CN / BNS - No. 5)

AUG 04 '10 -8 00 AM

SURFACE TRANSPORTATION BOARD

PARTIAL TERMINATION OF LEASE AND OWNERSHIP INTEREST dated as of August 3, 2010 by the **THE BANK OF NOVA SCOTIA**, a Canadian chartered bank (the "Lessor").

WHEREAS, the Lessor and **Canadian National Railway Company** (the "Lessee") entered into that certain Lease of Railroad Equipment No. 5 dated as of November 15, 2007 (the "Lease") covering (i) twenty-eight (28) EMD SD70M-2 diesel-electric locomotives bearing the road numbers **CN 8822 to 8849** and (ii) ten (10) GE ES44DC diesel-electric locomotives bearing the road numbers **CN 2255 to 2264** (the "Terminated GE Locomotives") and, that certain Indemnity Agreement related thereto of even date with the Lease and incorporated therein;

WHEREAS, to evidence the Lease (and such Indemnity Agreement), a Memorandum of Lease of Railroad Equipment and Indemnity Agreement dated as of November 15, 2007 was i) filed at the Surface Transportation Board on November 27, 2007 at 8:30 A.M. with assigned primary recordation number 27240 and ii) deposited at the Registrar General of Canada (the "RGC") on November 27, 2007 at 1:55 P.M.;

WHEREAS, Bills of Sale evidencing Lessor's title to all of the above described locomotives were deposited at the RGC on November 30, 2007 at 2:53 P.M. and December 20, 2007 at 3:13 P.M.;

WHEREAS, Lessor and Lessee have agreed to partially terminate the Lease as of the date hereof in respect of (i) the twenty-five (25) EMD SD70M-2 diesel-electric locomotives bearing the road numbers **CN 8822 to 8832, CN 8834 to 8838, CN 8840 to 8842 and CN 8844 to 8849** (collectively, the "Terminated EMD Locomotives") and (ii) the Terminated GE Locomotives;

AND WHEREAS, the Lease remains in full force and effect in respect of the three (3) EMD SD70M-2 diesel-electric locomotives bearing the road numbers **CN 8833, CN 8839 and CN 8843** (collectively, the "Remaining EMD Locomotives").

IN WITNESS WHEREOF, the Lessor wishes to show for the public record: (i) the partial termination of the Lease in respect of the Terminated EMD Locomotives and the Terminated GE Locomotives, ii) that it has sold, and disposed of, all its right, title and interest in the Terminated EMD Locomotives and the Terminated GE Locomotives to the Lessee, (iii) that it hereby releases any security interest in the Terminated EMD Locomotives and the Terminated GE Locomotives and (iv) the Lease remains in full force and effect in respect of the Remaining EMD Locomotives and, accordingly has caused this Partial Termination of Lease and Ownership Interest to be executed by its officer thereunto duly authorized, as of the day and year first above written.

[Execution on next page.]

[Execution - Partial Termination of Lease and Ownership Interest]

THE BANK OF NOVA SCOTIA

By:
Its:


STEVE CZEGEL
Director, Scotia Leasing
Scotiabank

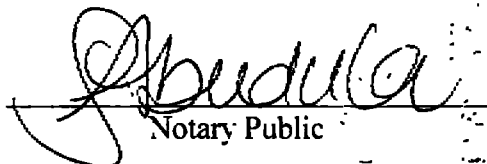
PROVINCE OF ONTARIO)

)

ss.:

CITY OF TORONTO)

On this 30th day of JULY, 2010, before me personally appeared Steve Czegel, to me personally known, who, being by me duly sworn, says that he is Director, Scotia Leasing, of THE BANK OF NOVA SCOTIA, that the instrument was signed on behalf of said bank by authority of its board of directors, and he / she acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.


Notary Public

My commission expires:

n/a